

## Message Text

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PAGE 01 STATE 040346  
ORIGIN COME-00

INFO OCT-01 EUR-12 ISO-00 EB-08 STR-07 TRSE-00 OPIC-03  
/031 R

DRAFTED BY COM/BIEPR/OTP/IND/LFITZGERALD  
APPROVED BY EB/IFD/OIA:RDKAUZLARICH  
STATE/EUR/WE/EBEIGEL  
STR/DCOOPER  
COM/BIEPR/OTP/IND/CJOHNSON  
TREASURY/HSHAPIRO  
COM/BIEPR/OTP/TNAD/SCRAVEN  
COM/BIEPR/OIFI/DARRILL  
COM/BDBD/JMCPHEE

-----032377 161154Z /13

R 152233Z PEB 78  
FM SECSTATE WASHDC  
TO AMEMBASSY PARIS  
INFO AMEMBASSY BRUSSELS

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USEEC FOR EC BRUSSELS, ALSO INFO FOR USOECD PARIS

E.O. 11652:N/A

TAGS: EINV, ETRD, FR

SUBJECT: INVESTMENT APPLICATION OF AUTOMATIC DATA  
PROCESSING

1. THE DEPARTMENT OF COMMERCE HAS RECEIVED A COMPLAINT  
FROM AUTOMATIC DATA PROCESSING, INC. (ADP) OF CLIFTON,  
NEW JERSEY THAT APPLICATION FOR INVESTMENT MADE BY ITS  
WHOLLY-OWNED DUTCH SUBSIDIARY HAS BEEN POSTPONED  
INDEFINITELY BY GOF. THE COMPLAINT WAS REFERRED TO  
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COMMERCE BY SENATOR WILLIAMS.

2. ON FEBRUARY 28, 1977 ADP FILED AN APPLICATION TO  
PROVIDE DATA PROCESSING SERVICES THROUGH A RELATIONSHIP  
WHICH IT PROPOSED TO ENTER INTO WITH A FRENCH COMPANY,  
SOCIETE DE GESTION ET D'INFORMATIQUE PUBLICIS. THERE WERE

VARIOUS CONTACTS WITH FRENCH OFFICIALS, BUT APPROVAL WAS NOT FORTHCOMING. ON JULY 1, 1977 ADP'S WHOLLY-OWNED SUBSIDIARY, B.V. INSTITUT VOOR ELECTRONISCHE ADMINISTRATIE, A DUTCH CORPORATION, FILED AN APPLICATION TO ESTABLISH A FRENCH SUBSIDIARY FOR THE SAME PURPOSES. SUBSEQUENTLY, ON SEPTEMBER 5, 1977, ADP WITHDREW THE FIRST APPLICATION WITH A REQUEST THAT THE MINISTRY OF FINANCE GIVE FAVORABLE TREATMENT TO THE INVESTMENT APPLICATION OF INSTITUT VOOR ELECTRONISCHE ADMINISTRATIE. SINCE THEN, ADP HAS BEEN

INFORMED BY THE MINISTRY THAT APPROVAL OF ADP'S OR ANY OF ITS SUBSIDIARIES' APPLICATIONS WOULD BE CONTRARY TO THE BEST INTERESTS OF FRANCE AND THAT FRENCH OFFICIALS WERE OF THE OPINION THAT THE FRENCH DATA PROCESSING INDUSTRY WOULD SUFFER FROM ADP COMPETITION.

3. EMBASSY SHOULD APPROACH THE APPROPRIATE FRENCH AUTHORITIES TO INQUIRE AS TO THE STATUS OF THE POSTPONED APPLICATION AND URGE APPROVAL. EMBASSY MAY WISH TO MAKE THE FOLLOWING POINTS: (1) EXPRESS USG CONCERN ABOUT CONTINUING FRENCH EFFORTS TO DENY U.S. COMPANIES' INVESTMENT APPLICATIONS IN THE COMPUTER FIELD, E.G. CENTRONICS, WANGCO, DEC, WHICH ARE INCONSISTENT WITH OUR MUTUAL COMMITMENT TO REDUCE IMPEDIMENTS TO THE FREE FLOW OF GOODS AND SERVICES; (2) WHILE WE APPRECIATE THE GOF DESIRE TO DEVELOP ITS COMPUTER INDUSTRY, WE DO NOT BELIEVE THIS OBJECTIVE JUSTIFIES CREATING OBSTACLES TO U.S. INVESTMENT LIMITED OFFICIAL USE

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IN THE COMPUTER/DATA PROCESSING FIELD; (3) REJECTION OF ADP'S SUBSIDIARY'S APPLICATION WOULD BE CONTRARY TO THE NATIONAL TREATMENT PROVISIONS OF U.S.-FRENCH CONVENTION OF ESTABLISHMENT; AND (4) THERE IS CONGRESSIONAL INTEREST IN THIS CASE.

4. IF FURTHER INFORMATION IS REQUIRED, EMBASSY MAY WISH TO CONTACT ADP'S ATTORNEY, MR. GEORGE LOWY OF CRAVATH, SWAINE AND MOORE, 4 PLACE DE LA CONCORDE, TELEPHONE 265-8154. VANCE

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NNN

\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BUSINESS FIRMS, INVESTMENT DATA, LICENSES  
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**Copy:** SINGLE  
**Draft Date:** 15 feb 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** BIEPR/OTP/IND/LFITZGERALD  
**Enclosure:** n/a  
**Executive Order:** n/a  
**Errors:** n/a  
**Expiration:**  
**Film Number:** D780071-0673  
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**Office:** ORIGIN COME  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Handling Restrictions:** n/a  
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**Retention:** 0  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
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**Status:** <DBA CORRECTED> gwr 970820  
**Subject:** INVESTMENT APPLICATION OF AUTOMATIC DATA PROCESSING  
**TAGS:** EINV, ETRD, FR, US, ADP, AUTOMATIC DATA PROCESSING  
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**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014